

D.P.U. 95-5C

Application of Fitchburg Gas & Electric Light Company:

(1) under the provisions of G.L. c. 164, § 94G and the Company's tariff, M.D.P.U. 22, for approval by the Department of Public Utilities of a change in the quarterly fuel charge to be billed to the Company's customers pursuant to meter readings in the billing months August, September, and October, 1995;

(2) for approval by the Department of rates to be paid to Qualifying Facilities for purchases of power pursuant to 220 C.M.R. §§ 8.00 et seq. The rules established in 220 C.M.R. §§ 8.00 et seq. set forth the filings to be made by electric utilities with the Department, and implement the intent of §§ 201 and 210 of the Public Utilities Regulatory Policies Act of 1978; and

(3) under the provisions of G.L. c. 164, § 94G for approval by the Department of the Company's annual performance goals for the period November 1, 1995 through October 31, 1996.

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Boston, MA 02110-3173
FOR: FITCHBURG GAS AND ELECTRIC
LIGHT COMPANY
Petitioner

I. INTRODUCTION

On June 30, 1995, pursuant to G.L. c. 164, § 94G and 220 C.M.R. §§ 8.00 et seq., Fitchburg Gas and Electric Light Company ("Fitchburg" or "Company" notified the Department of Public Utilities ("Department") of the Company's intent to file a quarterly change to its fuel charge in conformance with its tariff, M.D.P.U. No. 22, and to its Qualifying Facility ("QF") power purchase rates in conformance with its tariff, M.D.P.U. No. 82. The Company requested that both these changes be effective for bills issued pursuant to meter readings for the billing months of August, September, and October of 1995. In addition, the Company also requested Department approval, under the provisions of G.L. c. 164, § 94G, of the Company's annual performance goals for the period November 1, 1995 through October 31, 1996. Pursuant to G.L. c. 164, § 94G, the Department has continued the proceeding in order to investigate the performance goals. The matter was docketed as D.P.U. 95-82.

Pursuant to notice duly issued, a public hearing on the Company's application was held on July 26, 1995, at the Department's offices in Boston. Notice of the hearing was published by the Company in the Fitchburg-Leominster Sentinel and the Worcester Telegram. The Company also complied with the requirement to mail a copy of the notice of the hearing to the Chairmen of the Boards of Selectmen and the Town Clerks of the

towns of Lunenburg, Ashby, and Townsend, and the Mayor and City Clerks of the City of Fitchburg; to all persons with whom the Company has special retail contracts that do not incorporate a filed rate; and to all intervenors and their respective counsel from the Company's prior two fuel charge proceedings. No petitions for leave to intervene were filed.

At the hearing, the Company sponsored one witness: David W. Lavoie, contracts supervisor for UNITIL Service Corporation (UNITIL).¹ The evidentiary record consists of one Company exhibit.

The Company owns and operates one generating unit, Fitchburg Unit No. 7, an oil-fired unit of approximately 28 megawatts ("MW"), and receives power under various arrangements from units operated by others. The arrangements include entitlement to 20 MW of the New Haven Harbor unit in Connecticut, which is operated by United Illuminating Company; and one MW of the Wyman 4 unit, operated by the Central Maine Power Company. According to its 1994 Annual Report to the Department, Fitchburg serves approximately 26,465 customers and reported revenue from retail sales of electricity of \$44,007,814.

II. FUEL CHARGE

¹ UNITIL, an affiliate of Fitchburg, provides management services to Fitchburg, including the development of the Company's electric fuel charge.

On July 19, 1995, the Company filed with the Department its proposed changes to its fuel charge and QF power purchase rates for August, September, and October, 1995. For these billing months, the Company proposes a fuel charge of \$0.04027 per kilowatthour ("KWH"). The proposed fuel charge is \$0.00151 per KWH less than the fuel charge of \$0.04178 per KWH approved by the Department in Fitchburg Gas and Electric Light Company, D.P.U. 95-5B (1995) for meter readings for the billing months of May, June, and July, 1995.

The Company's witness testified that there were two reasons for the decrease in the proposed fuel charge: 1) the Company has a cumulative over-recovery of \$109,316 going into the up-coming quarter; and 2) a decrease in the forecast period energy and purchased power expenses due to a combination of lower oil prices and the completion of the scheduled outages of Millstone 3 and Vermont Yankee. The forecast expenses in the upcoming quarter are expected to be less than they were in the prior quarter (Exh. Co.-1 at 3, Tr. at 8, 18-19).

III. QUALIFYING FACILITIES

Pursuant to the Department's rules, 220 C.M.R. §§ 8.00 et seq., rates to be paid to QFs for short-run power purchases are set with the same frequency as the fuel charge. A QF is a small power producer or cogenerator that meets the criteria established by the Federal Energy Regulatory Commission in 18 C.F.R.

§ 292.203(a) and adopted by the Department in 220 C.M.R. § 8.02.

Pursuant to 220 C.M.R. § 8.04, the Company is required to calculate short-run energy purchase rates on a time-of-supply basis for two rating periods: peak and off-peak. In addition, the Company is required to calculate a non-time-differentiated rate, i.e., a total period rate, which is a weighted average of the time-of-supply rates, where the weighting is a function of the number of hours in each rating period. See 220 C.M.R. § 8.04(4)(b). The Company is also required, under 220 C.M.R. § 8.04(6)(b), to file its short-run capacity purchase rates, calculated on a KWH basis by voltage level, according to the formula in 220 C.M.R. § 8.04(6)(a).

The Company proposed the following standard rates to be paid to QFs during August, September, and October, 1995:

Energy Rates By Voltage Level (Mills/KWH)

<u>Voltage Level</u>	<u>Peak</u>	<u>Off-Peak</u>	<u>Total</u>
NEPOOL Trans.	26.25	21.32	23.54
Fitchburg 69 KV	26.33	21.39	23.61
13.8 KV Subtrans.	26.57	21.58	23.82
Primary	28.40	22.21	25.01
Secondary	28.67	22.60	25.35

Short-Run Capacity Rates (Mills/KWH)

Voltage Level

NEPOL Trans.	23.15
Fitchburg 69 KV	23.23
13.8 KV Subtrans.	23.44
Primary	25.05
Secondary	25.29

IV. FINDINGS

Based on the foregoing, the Department finds:

1. that the fuel charge to be applied to Company bills issued pursuant to meter readings for the billing months of August, September, and October, 1995, shall be \$0.04027 per KWH (the calculation of the fuel charge is shown in Table 1 attached to this Order); and

2. that the QF power purchase rates for August, September, and October, 1995, shall be the rates set forth in Section III above.

V. ORDER

Accordingly, after due notice, hearing and consideration, it is

ORDERED: That the Fitchburg Gas and Electric Light Company is authorized to put into effect a quarterly fuel charge of \$0.04027 per KWH as set forth in Section IV, Finding 1 of this Order for bills issued pursuant to meters reading for the billing months of August, September, and October, 1995, subject to refund; and it is

FURTHER ORDERED: That the fuel charge approved herein shall apply to kilowatthours sold to the Company's customers subject to the jurisdiction of the Department and shall be itemized separately on all such customers' electric bills; and it is

FURTHER ORDERED : That the Company's Qualifying Facility power purchase rates for the billing months of August, September, and October, 1995, shall be those set forth in the Table on page four of this Order; and it is

FURTHER ORDERED : That the Company, in all future fuel charge proceedings, shall notify all intervenors and their respective counsel from the Company's prior two fuel charge proceedings that it is proposing an adjustment to its fuel charge, and shall also notify these persons of the date scheduled for the hearing on the proposed fuel charge at least ten days in advance of the hearing; and it is

FURTHER ORDERED : That the Company, in all future fuel charge proceedings, shall provide the small power producer information on a computer disk, and it is

FURTHER ORDERED : That the Company, in all future fuel charge proceedings, shall provide all intervenors and their respective counsel from the prior two fuel charge proceedings with a copy of its fuel charge filing, in hand or by facsimile, on the same day it is filed with the Department; and it is

FURTHER ORDERED : That, pursuant to G.L. c. 164, § 94G (a) and (b), fuel costs allowed by this Order are subject to such disallowance as the Department may determine in any subsequent investigation of the Company's performance period that includes the quarter applicable to the present charges.

By Order of the Department,

Kenneth Gordon, Chairman

Mary Clark Webster, Commissioner

Janet Gail Besser, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).